GOVERNMENT OF INDIA
STEEL
LOK SABHA

UNSTARRED QUESTION NO:193
ANSWERED ON:18.11.2002
REVIVAL OF HSCL
RAVINDRA KUMAR PANDEY

Will the Minister of STEEL be pleased to state:

(a) whether the Government have granted any package for revival of Hindustan Steelworks Construction Limited (HSCL).

(b) if so, the details thereof;

(c) whether the staff of HSCL are not getting salary ;

(d) if so, the reasons therefor;

(e) the action taken by the Government for payment of salary to HSCL`s staff;

(f) the total number of staff of HSCL retired from service and the number out of them opted Voluntary Retirement Scheme (VRS) during each of the last three years and as on October, 2002, category-wise;

(g) the number of pensioners granted pensions and other benefits and the number of those waiting for payment of pensionary benefits during the said period; and

(h) the remedial steps taken in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF STEEL (SHRI BRAJA KISHORE TRIPATHY)

(a) Yes, Sir.

(b) In July, 1999, Govt. approved a revival package for Hindustan Steelworks Construction Limited(HSCL) with the proposals as indicated at Annexure.

(c)&(d): Salary to the employees of HSCL in many units has been getting delayed as HSCL has not been able to generate enough margins to meet the liability of payment of salaries and other outstanding dues to its employees, on its own.

(e) In March, 2002, Government has provided financial assistance to the tune of Rs.89.44 crores to help HSCL clear outstanding wages/salaries and statutory dues of its employees.

(f) The total number of employees of HSCL separated through Voluntary Retirement Scheme(VRS) and otherwise during each of the last three years and during the current year upto October, 2002, category-wise is given below:

Year	VRS				OTHERS				
	Exe.	Non.Exe.	Worker	Total	Exe.	Non.	Exe.	Worker	Total
1999-2000	203	235	1446	1884	14	8	16		38
2000-01	274	588	3388	4250	43	53	06		102
2001-02	61	373	805	1239	32	19	25		76
Apr`02-Oct.`02	189	260	359	808	6	8	12		26

(g)&(h): There is no pension facility in HSCL.

ANNEXURE

SALIENT FEATURES OF FINANCIAL RESTRUCTURING PACKAGE APPROVED IN JULY, 1999

(i) Conversion of plan loans as on 31.3.1999 into equity : Rs.97.10 crores.

(ii) Grant of moratorium on repayment & interest holiday on all loans (Govt. of India) upto 31.3.1999 for 10 years.

(iii) Waiver of interest accrued & outstanding on all Govt. of India loans as on 31.3.1999 amounting to Rs.975.17 crores.

(iv) Rs.79.33 crores non-plan loan during 1999-00 with moratorium on repayment & interest holiday for 5 years subject to review at the end of 5 years.

(v) Exemption from payment of corporate tax in 1999-00 on account of windfall profit due to waiver of interest on loans.

(vi) Continuance of govt. guarantee for Rs.12 crores cash credit & Rs.80 crores bank guarantee facilities, with waiver of guarantee commission of 1%.

Government of India also provided guarantee to HSCL to enable it to raise loans from banks to the extent of Rs.318.36 crores for separation of 6000 employees in three years starting from 1999-2000 onwards with full interest subsidy.